

arrangements to apply after that date. Such arrangements shall, to the extent feasible and economically reasonable, employ automated interfaces for ordering, provisioning, billing, and maintaining resold accounts. The Parties may also agree to negotiate term and/or volume discounts for resold services

### **13.0 COLLOCATION – SECTION 251(c)(6).**

13.1 BA shall offer to MFS Physical Collocation of equipment necessary for Interconnection (pursuant to Section 4) or for access to unbundled Network Elements (pursuant to Section 11.0), except that BA may offer only Virtual Collocation if BA demonstrates to the Commission that Physical Collocation is not practical for technical reasons or because of space limitations, as provided in Section 251(c)(6) of the Act. BA shall provide such Collocation solely for the purpose of Interconnection with facilities or services of BA or access to unbundled Network Elements of BA, except as otherwise mutually agreed to in writing by the Parties or as required by the FCC or the Commission, subject to applicable federal and state Tariffs.

13.2 Although not required to do so by Section 251(c)(6) of the Act, by this Agreement, MFS agrees to offer to BA Collocation (at MFS's option either Physical or Virtual) of equipment for purposes of Interconnection (pursuant to Section 4) on a non-discriminatory basis and at comparable rates, terms and conditions as MFS may provide to other third parties. MFS shall provide such Collocation subject to applicable Tariffs.

13.3 Where MFS is Virtually Collocated on the date hereof on a premise that was initially prepared for Physical Collocation for MFS, MFS may elect to (i) retain its Virtual Collocation in that premises, and/or (ii) establish Physical Collocation in that premises pursuant to current procedures and applicable Tariffs. BA will not assess to MFS non-recurring charges for central office common area construction to transition existing virtual collocation arrangements to physical collocation arrangements in offices where MFS previously paid such charges. BA will also waive cage construction charges for cages of the same size originally paid for by MFS. MFS shall coordinate with BA for rearrangement of MFS's equipment, facilities, and circuits. All applicable Physical Collocation recurring charges shall apply.

13.4 Where MFS is Virtually Collocated on the date hereof on a premise that was initially prepared for MFS as Virtual Collocation, MFS may elect to (i) retain its Virtual Collocation in that premises, or (ii) unless it is not practical for technical reasons or because of space limitations, convert its Virtual Collocation at such premises to Physical Collocation, in which case MFS shall coordinate the construction and rearrangement with BA of its equipment, facilities, and circuits, and for which MFS shall pay BA at applicable Tariff rates. In addition, all Physical Collocation recurring charges shall apply.

13.5 For both Physical Collocation and Virtual Collocation, the Collocating Party shall provide its own or third-party leased transport facilities and terminate those transport facilities in equipment located in its Physical Collocation space, or in its virtually collocated equipment, at

the Housing Party's premises as described in applicable Tariffs, and purchase Cross Connection to services or facilities as described in applicable Tariffs.

13.6 Collocation shall occur under the terms of each Party's applicable and available Tariffs. Collocation is offered for network Interconnection between the Parties. Unless otherwise agreed to by the Parties or either Party is required by applicable law to permit on its collocated premises, neither Party shall use a Collocation Arrangement to directly interconnect with a third party's equipment or facilities collocated at the same location.

## SECTION 251(b) PROVISIONS

### 14.0 NUMBER PORTABILITY – SECTION 251(b)(2).

#### 14.1 Scope

14.1.1 The Parties shall provide Local Telephone Number Portability ("LTNP") on a reciprocal basis to each other to the extent technically feasible, and in accordance with rules and regulations as from time to time prescribed by the FCC and/or the Commission.

14.1.2 Until Permanent Number Portability is implemented by the industry pursuant to regulations issued by the FCC and/or the Commission, the Parties agree to reciprocally provide Interim Number Portability to each other at the prices listed in Exhibit A. Such agreed-upon prices for INP are not intended to reflect either Party's views on the cost recovery mechanisms being considered by the FCC in its current proceeding on number portability issues.

14.1.3 Upon the agreement of the Parties or issuance of applicable FCC and/or Commission order(s) or regulations mandating the adoption of a Permanent Number Portability ("PNP") arrangement, BA and MFS will commence migration from INP to the agreed-upon or mandated PNP arrangement as quickly as practically possible while minimizing interruption or degradation of service to their respective Customers. Once PNP is implemented, either Party may withdraw, at any time and at its sole discretion, its INP offerings, subject to advance notice to the other Party and coordination to allow the seamless and transparent conversion of INP Customer numbers to PNP. Upon implementation of PNP pursuant to FCC or Commission regulation, both Parties agree to conform and provide such PNP. To the extent PNP rates or cost recovery mechanisms are not established by the applicable FCC or Commission order or regulation mandating the adoption of PNP, the Parties will negotiate in good faith the charges or cost recovery mechanism for PNP service at such time as a PNP arrangement is adopted by the Parties.

14.1.4 Under either an INP or PNP arrangement, MFS and BA will implement a process to coordinate LTNP cutovers with ULL conversions (as described in Section 11 of this Agreement).

## **14.2 Procedures for Providing INP Through Remote Call Forwarding**

MFS and BA will provide INP through Remote Call Forwarding as follows:

14.2.1 A Customer of one Party ("Party A") elects to become a Customer of the other Party ("Party B"). The Customer elects to utilize the original telephone number(s) corresponding to the Telephone Exchange Service(s) it previously received from Party A, in conjunction with the Telephone Exchange Service(s) it will now receive from Party B. Upon receipt of a service order from Party B requesting assignment of the number(s) to Party B, Party A will implement an arrangement whereby all calls to the original telephone number(s) will be forwarded to a new telephone number(s) designated by Party B, only within the same Exchange Area as the original telephone number(s). Party A will route the forwarded traffic to Party B over the appropriate traffic exchange trunk groups.

14.2.2 Party B will become the customer of record for the original Party A telephone number(s) subject to the INP arrangements. Upon the execution of an appropriate billing services agreement or such other mutually agreed-upon arrangement between the Parties, Party A shall use its reasonable efforts to consolidate into as few billing statements as possible collect, calling card, and third-number billed calls associated with the number(s), with sub-account detail by retained number.

14.2.3 Party A will update its Line Information Database ("LIDB") listings for retained numbers, and restrict or cancel calling cards associated with those forwarded numbers as directed by Party B. In addition, Party A will update the retained numbers in the LIDB with the screening options provided by Party B on a per order basis. Party B shall determine which of the screening options offered by Party A should apply to the Party B Customer account.

14.2.4 Party B will outpulse the telephone number to which the call has been forwarded to the 911 Tandem Office. Party B will also provide the 911 database with both the forwarded number and the directory number, as well as the appropriate address information of the Customer.

14.2.5 Party A shall be permitted to cancel INP arrangements and reassign the telephone number(s) upon receipt of notification from Party B or a third party that is authorized to act on behalf of the Customer. Party A shall provide notification to Party B of third party orders affecting the INP service of a Party B customer. The Parties agree to work cooperatively to develop procedures or adopt industry standards or practices concerning the initiation and termination of INP service in a multi-carrier environment.

14.2.6 The INP service offered herein shall not initially apply to NXX Codes 555, 915, 976, or 950, or for Feature Group A or coin telephone service. Upon request of either Party, provision of INP to these services will be mutually negotiated between the parties and provided to the extent feasible under negotiated rates, terms and conditions. INP shall not apply for any arrangement that would render the forwarded call Toll Traffic.

14.2.7 The ordering of INP arrangements and the exchange of screening information shall be made in accordance with industry-accepted (e.g. OBF developed) format and specifications to the extent they have been implemented by the Parties.

**14.3 Procedures for Providing INP Through Direct Inward Dial Trunks (Flex-DID)** Either Party may also request INP through Direct Inward Dial Trunks pursuant to any applicable Tariffs.

**14.4 Procedures for Providing LTNP Through Full NXX Code Migration** Where either Party has activated an entire NXX for a single Customer, or activated a substantial portion of an NXX for a single Customer, with the remaining numbers in that NXX either reserved for future use by that Customer or otherwise unused, if such Customer chooses to receive Telephone Exchange Service from the other Party, the first Party shall cooperate with the second Party to have the entire NXX reassigned in the LERG (and associated industry databases, routing tables, etc.) to an End Office operated by the second Party. Such transfer will be accomplished with appropriate coordination between the Parties and subject to appropriate industry lead-times for movements of NXXs from one switch to another. Neither Party shall charge the other in connection with this coordinated transfer.

#### **14.5 Receipt of Terminating Compensation on Traffic to INP'ed Numbers**

The Parties agree in principle that, under the INP arrangements described in subsections 14.2 and 14.3 above, terminating compensation on calls to INP'ed numbers should be received by each Customer's chosen LEC as if each call to the Customer had been originally addressed by the caller to a telephone number bearing an NPA-NXX directly assigned to the Customer's chosen LEC. In order to accomplish this objective where INP is employed, the Parties shall utilize the process set forth in this subsection 14.5 whereby terminating compensation on calls subject to INP will be passed from the Party (the "Performing Party") which performs the INP to the other Party (the "Receiving Party") for whose Customer the INP is provided.

14.5.1 The Parties shall individually and collectively make best efforts to track and quantify INP traffic between their networks based on the CPN of each call by identifying CPNs which are INP'ed numbers. The Receiving Party shall charge the Performing Party for each minute of INP traffic at the INP Traffic Rate specified in subsection 14.5.3 in lieu of any other compensation charges for terminating such traffic, except as provided in subsection 14.5.2.

14.5.2 By the Interconnection Activation Date in each LATA, the Parties shall jointly estimate for the prospective six months, based on historic data of all traffic in the LATA, the percentages of such traffic that, if dialed to telephone numbers bearing NPA-NXXs directly assigned to a Receiving Party (as opposed to the INP'ed number), would have been subject to (i) Reciprocal Compensation ("Recip Traffic"), (ii) appropriate intrastate FGD charges ("Intra Traffic"), (iii) interstate FGD charges ("Inter Traffic"), or (iv) handling as Transit Traffic. On the date which is six (6) months after the Interconnection Activation Date, and thereafter on each succeeding six month anniversary of such Interconnection Activation Date, the Parties shall establish new INP traffic percentages to be applied in the prospective six (6) month period, based

on the Performing Party's choice of actual INP traffic percentages from the preceding six (6) month period or historic data of all traffic in the LATA.

14.5.3 The INP Traffic Rate shall be equal to the sum of:

(Recip Traffic percentage times the Reciprocal Compensation Rate set forth in Exhibit A)  
plus  
(Intra Traffic percentage times Receiving Party's effective intrastate FGD rates)  
plus  
(Inter Traffic percentage times Receiving Party's effective interstate FGD rates).

The Receiving Party shall compensate the Performing Party for its billing and collection of charges for the intrastate and interstate FGD access services provided by the Receiving Party to a third party through the greater of (i) the difference between the intrastate and interstate FGD rates of the Receiving Party and the Performing Party, or (ii) three percent (3%) of the Performing Party's intrastate and interstate FGD revenues for INP'ed numbers. Under no circumstances shall the Performing Party, in performing the billing and collections service on behalf of the Receiving Party, be obligated to pass through more than ninety seven percent (97%) of its FGD access charge to the Receiving Party in connection with any given INP'ed call.

#### 14.6 Recovery of INP Costs Pursuant to FCC Order and Rulemaking

Notwithstanding anything to the contrary contained in this Section 14, in light of the FCC's First Report and Order and Further Notice of Proposed Rulemaking, adopted June 27, 1996, in CC Docket 95-116 (the "Order"), the Parties stipulate and agree as follows:

14.6.1 The rates listed in Exhibit A for the provision of INP are appropriate amounts that each Party providing INP service should recover for the provision of those INP functionalities in BA's operating territory. For the INP functions it provides, each Party should be allowed to recover these amounts in a manner consistent with any final FCC and/or Commission order on INP cost recovery (such as a state-wide fund contributed to by all telecommunications carriers).

14.6.2 Within three (3) weeks of the Effective Date, the Parties will jointly seek a Commission proceeding and ruling to develop and implement an INP cost recovery mechanism consistent with the policy described in the Order and/or any subsequent FCC or Commission decision.

14.6.3 Until such time as a final FCC and/or Commission order, pursuant to subsection 14.6.2 above, is implemented, each Party will provide INP service to the other Party at the INP rates listed in Exhibit A. All revenues received by the providing Party from its provision of INP service to the other Party shall be placed into an escrow fund maintained by or tracked separately by the providing Party. Upon issuance of a final FCC and/or Commission order, and to the extent that it permits the Party providing INP to recover the associated costs from a state-wide fund, the providing Party shall refund to the purchasing Party an amount equal

to the amount it recovers from such fund for its provision of INP service to the purchasing Party from the Effective Date, provided that in no event shall the refund amount exceed the aggregate amount the providing Party has received from the purchasing Party for INP services. If no such fund is ordered or established, the providing Party shall retain the full amount of the revenues tracked or held in escrow by it pursuant to this subsection 14.6.3.

14.6.4 The Parties agree that neither Party waives its rights to advocate its views that are consistent with this subsection 14.6 on the appropriate INP cost recovery mechanism, or to present such views before any relevant regulatory body or other agency as they relate to FCC or Commission actions on INP cost recovery.

## **15.0 DIALING PARITY – SECTION 251(b)(3).**

BA and MFS shall each provide the other with nondiscriminatory access to such services and information as are necessary to allow the other Party to implement dialing parity for Telephone Exchange Service, operator services, directory assistance, and directory listing information with no unreasonable dialing delays, as required under Section 251(b)(3) of the Act.

## **16.0 ACCESS TO RIGHTS-OF-WAY – SECTION 251(b)(4).**

Each Party shall provide the other Party access to its poles, ducts, rights-of-way and conduits it owns or controls in conformance with 47 U.S.C. § 224, as set forth in Exhibit A, where facilities are available, on terms, conditions and prices comparable to those offered to any other entity pursuant to each Party's applicable Tariffs. Where no such Tariffs exist, such access shall be provided in accordance with the requirements of 47 U.S.C. § 224, including any FCC regulations that may be issued. In addition, the Parties agree to review any existing rights-of-way arrangements between them in order to bring such arrangements into conformance with the requirements of 47 U.S.C. § 224 within ninety (90) days of the date hereof. In conducting such review and making the necessary conforming changes, if any, the Parties agree to consider the appropriateness of applying such changes on a retroactive basis to the date hereof. If the Parties are unable to agree on the necessary changes to the existing arrangements or the appropriateness of applying them on a retroactive basis, the Parties may invoke the procedures set forth in subsection 29.9 below.

## **17.0 DATABASES AND SIGNALING.**

17.1 Each Party shall provide the other Party with access to databases and associated signaling necessary for call routing and completion by providing SS7 Common Channel Signaling (CCS) Interconnection in accordance with existing Tariffs, and Interconnection and access to 800/888 databases, LIDB, and any other necessary databases in accordance with existing Tariffs and/or agreements with other unaffiliated carriers, as set forth in the Exhibit A. Alternatively, either Party may secure CCS Interconnection from a commercial

SS7 hub provider, and in that case the other Party will permit the purchasing Party to access the same databases as would have been accessible if the purchasing party had connected directly to the other Party's CCS network.

17.2 The Parties will provide CCS Signaling to one another, where and as available, in conjunction with all Local Traffic, Toll Traffic, Meet Point Billing Traffic, and Transit Traffic. The Parties will cooperate on the exchange of TCAP messages to facilitate interoperability of CCS-based features between their respective networks, including all CLASS features and functions, to the extent each Party offers such features and functions to its Customers. All CCS Signaling parameters will be provided upon request (where available), including called party number, calling party number, originating line information, calling party category, and charge number. All privacy indicators will be honored. The Parties will follow all Ordering and Billing Forum-adopted standards pertaining to CIC/OZZ codes. Where CCS Signaling is not available, in-band multi-frequency (MF) wink start signaling will be provided. Any such MF arrangement will require a separate local trunk circuit between the Parties' respective switches. In such an arrangement, each Party will outpulse the full ten-digit telephone number of the called party to the other Party.

17.3 Each Party shall provide trunk groups, where available and upon reasonable request, that are configured utilizing the B8ZS ESF protocol for 64 kbps clear channel transmission to allow for ISDN interoperability between the Parties' respective networks.

17.4 The following publications describe the practices, procedures and specifications generally utilized by BA for signaling purposes and is listed herein to assist the Parties in meeting their respective Interconnection responsibilities related to Signaling:

(a) Bellcore Special Report SR-TSV-002275, BOC Notes on the LEC Networks - Signaling; and

(b) Bell Atlantic Supplement Common Channel Signaling Network Interface Specification (BA-905).

17.5 Each Party shall charge the other Party mutual and reciprocal rates for CCS Signaling as follows: BA shall charge MFS in accordance with Exhibit A hereto and applicable Tariffs; MFS shall charge BA rates equal to the rates BA charges MFS, unless MFS's Tariffs for CCS signaling provide for lower generally available rates, in which case MFS shall charge BA such lower rates.

## **18.0 COORDINATED SERVICE ARRANGEMENTS.**

18.1 **Intercept and Referral Announcements.** When a Customer changes its service provider from BA to MFS, or from MFS to BA, and does not retain its original telephone number, the Party formerly providing service to such Customer shall provide a referral announcement ("Referral Announcement") on the abandoned telephone number which provides

details on the Customer's new number or provide other appropriate information to the extent known. Referral Announcements shall be provided reciprocally, free of charge to either the other Party or the Customer to the extent the providing Party does not charge its own customers for such service, for a period of not less than four (4) months after the date the Customer changes its telephone number in the case of business Customers and not less than sixty (60) days after the date the Customer changes its telephone number in the case of residential Customers. However, if either Party provides Referral Announcements for different periods than the above respective periods when its Customers change their telephone numbers, such Party shall provide the same level of service to Customers of the other Party.

**18.2 Coordinated Repair Calls.** MFS and BA will employ the following procedures for handling misdirected repair calls:

18.2.1 MFS and BA will educate their respective Customers as to the correct telephone numbers to call in order to access their respective repair bureaus.

18.2.2 To the extent Party A is identifiable as the correct provider of service to Customers that make misdirected repair calls to Party B, Party B will immediately refer the Customers to the telephone number provided by Party A, or to an information source that can provide the telephone number of Party A, in a courteous manner and at no charge. In responding to misdirected repair calls, neither Party shall make disparaging remarks about the other Party, its services, rates, or service quality.

18.2.3 MFS and BA will provide their respective repair contact numbers to one another on a reciprocal basis.

**18.3 Customer Authorization.** In order for either Party to order or terminate service on behalf of the other Party's Customer, the requesting Party must have proper written authorization from the customer in its files, and provide a copy of such authorization to the other Party upon request. In the event the requesting Party (i) fails to provide a copy of the Customer's proper written authorization upon request, (ii) requests changes in the other Party's Customer's service without having such authorization in its files, or (iii) mistakenly changes the other Party's Customer's service, the requesting Party shall be liable to the other Party for all charges that would be applicable to the Customer for restoring service to the other Party.

## **19.0 DIRECTORY SERVICES ARRANGEMENTS**

BA will, upon request, provide the following directory services to MFS in accordance with the terms set forth herein. In this Section 19, references to a MFS Customer's "primary listing" shall mean such Customer's name, address, and main telephone number, which number falls within the NXX codes directly assigned to MFS or is retained by MFS on the Customer's behalf pursuant to LTNP arrangements with BA or any other carrier within the geographic area covered in the relevant BA directory.



## **19.1 Directory Listings and Directory Distributions**

19.1.1 BA will include the MFS Customer's primary listing in its "White Pages" directory (residence and business listings) and "Yellow Pages" directory (business listings) that cover the address of the Customer. Listings of MFS's Customers will be interfiled with listings of BA's Customers and the Customers of other LECs included in the BA directories. MFS will pay BA a non-recurring charge as set forth in Exhibit A for providing such service for each MFS Customer's primary listing. MFS will also pay BA's Tariffed charges, as the case may be, for additional and foreign white page listings and other white pages services for MFS's Customers. BA will not require a minimum number of listings per order.

19.1.2 BA will also include the MFS Customer's primary listing in BA's directory assistance database on the same basis that BA's own Customers are included, as well as in any electronic directories in which BA's Customers are ordinarily included, for no charge other than the charges identified in subsection 19.1.1.

19.1.3 BA will distribute to MFS Customers copies of their primary white pages and yellow pages directories at the same time and on the same basis that BA distributes primary directories to its own Customers. BA will also deliver a reasonable number of such directories to MFS. These distributions will be made for no additional charge. MFS and its Customers may request additional directories from BA's Directory Fulfillment Centers, which Centers will provide such additional directories for the same charges applicable to comparable requests by BA Customers.

19.1.4 BA will include all MFS NXX codes associated with the areas to which each directory pertains, along with BA's own NXX codes in any maps or lists of such codes which are contained in the general reference portions of the directories. MFS's NXX codes shall appear in such maps or lists in the same manner as BA's NXX information.

19.1.5 MFS shall provide BA with daily listing information on all new MFS Customers in the format required by BA or a mutually-agreed upon industry standard format. The information shall include the Customer's name, address, telephone number, the delivery address and number of directories to be delivered, and, in the case of a business listing, the primary business heading under which the business Customer desires to be placed, and any other information necessary for the publication and delivery of directories. MFS will also provide BA with daily listing information showing Customers that have disconnected or terminated their service with MFS. BA will provide MFS with confirmation of listing order activity within forty eight (48) hours.

19.1.6 BA will accord MFS's directory listing information the same level of confidentiality which BA accords its own directory listing information, and BA shall ensure that access to MFS's directory listing information will be used solely for the purpose of providing directory services; provided, however, that BA may use or license information contained in its directory listings for direct marketing purposes so long as the MFS Customers are not separately identified as such; and provided further that MFS may identify those of its Customers that request

that their names not be sold for direct marketing purposes, and BA will honor such requests to the same extent as it does for its own Customers.

19.1.7 BA or BA's publisher shall provide MFS with a report of all MFS Customer listings ninety (90) days prior to directory publication in such form and format as may be mutually agreed to by both Parties. Both Parties shall use their best efforts to ensure the accurate listing of such information. BA will also provide MFS, upon request, a copy of the BA listings standards and specifications manual. In addition, BA will provide MFS with a listing of Yellow Pages headings and directory close schedules on an ongoing basis.

19.1.8 MFS will adhere to all practices, standards, and ethical requirements of BA with regard to listings, and, by providing BA with listing information, warrants to BA that MFS has the right to place such listings on behalf of its Customers. MFS agrees that it will undertake commercially practicable and reasonable steps to attempt to ensure that any business or person to be listed is authorized and has the right (i) to provide the product or service offered, and (ii) to use any personal or corporate name, trade name or language used in the listing.

19.1.9 BA's liability to MFS in the event of a BA error in or omission of a listing shall be subject to the same limitations that BA's liability to its own Customers are subject to. In addition, MFS agrees to take, with respect to its own Customers, all reasonable steps to ensure that its and BA's liability to MFS's Customers in the event of a BA error in or omission of a listing shall be subject to the same limitations that BA's liability to its own Customers are subject to.

**19.2 Yellow Page Maintenance.** The Parties agree to work cooperatively to ensure that Yellow Page advertisements purchased by Customers that switch their service to MFS (including Customers utilizing MFS-assigned telephone numbers and MFS Customers utilizing LTNP) are maintained without interruption. BA will allow MFS Customers to purchase new Yellow Pages advertisements without discrimination, under the identical rates, terms and conditions as apply to BA's Customers. BA and MFS may implement a commission program whereby MFS may, at MFS's sole discretion, act as a sales, billing and collection agent for Yellow Pages advertisements purchased by MFS's Telephone Exchange Service Customers.

**19.3 Service Information Pages.** BA will include in the "Customer Guide" or comparable section of the applicable white pages directories listings provided by MFS for MFS's installation, repair and customer service and other essential service oriented information, as agreed by the Parties, including appropriate identifying logo. Such listings shall appear in the manner agreed to by the Parties. BA shall not charge MFS for inclusion of this essential service-oriented information, but reserves the right to impose charges on other information MFS may elect to submit and BA may elect to accept for inclusion in BA's white pages directories. BA will provide MFS with the annual directory close dates and reasonable notice of any changes in said dates.

#### **19.4 Directory Assistance (DA); Call Completion**

19.4.1 Upon request, BA will provide MFS with directory assistance and/or call completion services substantially in accordance with the terms set forth in the form Directory Assistance and Call Completion Services Agreement appended hereto as Exhibit C.

19.4.2 Also upon request, BA will provide to MFS operator services trunk groups, utilizing Feature Group D type signaling, with ANI, minus OZZ, when interconnecting to the BA operator services network.

#### **20.0 COORDINATION WITH TARIFF TERMS**

20.1 The Parties acknowledge that some of the services, facilities, and arrangements described herein are or will be available under and subject to the terms of the federal or state tariffs of the other Party applicable to such services, facilities, and arrangements. To the extent a Tariff of the providing Party applies to any service, facility, and arrangement described herein, the Parties agree as follows:

20.1.1 Those rates and charges set forth in Exhibit A for the services, facilities, and arrangements described herein that are designated with an asterisk shall remain fixed for the initial term of the Agreement, notwithstanding that such rates may be different from those contained in an effective, pending, or future Tariff of the providing Party (including any changes to such Tariff subsequent to the Effective Date). Those rates and charges for services, facilities, and arrangements that are not designated with an asterisk, and reference or are identical to a rate contained in an existing Tariff of the providing Party, shall conform with those contained in the then-prevailing Tariff and vary in accordance with any changes that may be made to the Tariff rates and charges subsequent to the Effective Date. Even the asterisked fixed rates and charges shall be changed to reflect any changes in the Tariff rates and charges they reference, however, if the Parties agree to adopt the changed Tariff rates and charges.

20.2 Except with respect to the rates and charges described in subsection 20.1 above, all other terms contained in an applicable Tariff of the providing Party shall apply in connection with its provision of the particular service, facility, and arrangement hereunder.

#### **21.0 INSURANCE**

21.1 MFS shall maintain, during the term of this Agreement, all insurance and/or bonds required by law and necessary to satisfy its obligations under this Agreement, including, without limitation, its obligations set forth in Section 25 hereof. At a minimum and without limiting the foregoing covenant, MFS shall maintain the following insurance:

- (a) Commercial General Liability Insurance, on an occurrence basis, including but not limited to, premises-operations, broad form property damage, products/completed

operations, contractual liability, independent contractors, and personal injury, with limits of at least \$1,000,000 combined single limit for each occurrence.

(b) Automobile Liability, Comprehensive Form, with limits of at least \$500,000 combined single limit for each occurrence.

(c) Excess Liability, in the umbrella form, with limits of at least \$15,000,000 combined single limit for each occurrence.

(d) Worker's Compensation Insurance as required by law and Employer's Liability Insurance with limits of not less than \$1,000,000 per occurrence.

21.2 MFS shall name BA as an additional insured on the foregoing insurance. MFS agrees that MFS's insurer(s) and anyone claiming by, through, under or on behalf of MFS, shall have no claim, right of action, or right of subrogation, against BA, BA's affiliated companies, or the directors, officers or employees of BA or BA's affiliated companies, based on any loss or liability insurable under the foregoing insurance.

21.3 MFS shall, within two (2) weeks of the date hereof and on a quarterly basis thereafter, furnish certificates or other adequate proof of the foregoing insurance. The certificates or other proof of the foregoing insurance shall be sent to: Bell Atlantic, Insurance Administration Group, 1320 N. Court House Road, 4th Floor, Arlington, Virginia, 22201. In addition, MFS shall require its agents, representatives, or contractors, if any, that may enter upon the premises of BA or BA's affiliated companies to maintain similar and appropriate insurance and, if requested, to furnish BA certificates or other adequate proof of such insurance. Certificates furnished by MFS or MFS's agents, representatives, or contractors shall contain a clause stating: "Bell Atlantic - Pennsylvania, Inc. shall be notified in writing at least thirty (30) days prior to cancellation of, or any material change in, the insurance."

## 22.0 TERM AND TERMINATION.

22.1 This Agreement shall be effective as of the date first above written and continue in effect until July 1, 1999, and thereafter the Agreement shall continue in force and effect unless and until terminated as provided herein. Upon the expiration of the initial term, either Party may terminate this Agreement by providing written notice of termination to the other Party, such written notice to be provided at least ninety (90) days in advance of the date of termination. In the event of such termination, those service arrangements made available under this Agreement and existing at the time of termination shall continue without interruption under (a) a new agreement executed by the Parties, (b) standard Interconnection terms and conditions approved and made generally effective by the Commission, (c) Tariff terms and conditions generally available to CLEC, or (d) if none of the above is available, under the terms of this Agreement on a month-to-month basis until such time as (a), (b), or (c) becomes available.

**22.2** For service arrangements made available under this Agreement and existing at the time of termination, if the standard Interconnection terms and conditions or Tariff terms and conditions result in the non-terminating Party physically rearranging facilities or incurring programming expense, the non-terminating Party shall be entitled to recover such rearrangement or programming costs, from the terminating Party. By mutual agreement, the Parties may jointly petition the appropriate regulatory bodies for permission to have this Agreement supersede any future standardized agreements or rules as such regulators might adopt or approve.

**22.3** If either Party defaults in the payment of any amount due hereunder, or if either Party violates any other provision of this Agreement, and such default or violation shall continue for sixty (60) days after written notice thereof, the other Party may terminate this Agreement and services hereunder by written notice; provided the other Party has provided the defaulting Party and the appropriate federal and/or state regulatory bodies with written notice at least twenty five (25) days' prior to terminating service. Notice shall be posted by certified mail, return receipt requested. If the defaulting Party cures the default or violation within the twenty five (25) day period, the other Party will not terminate service or this Agreement but shall be entitled to recover all costs, if any, incurred by it in connection with the default or violation, including, without limitation, costs incurred to prepare for the termination of service.

### **23.0 DISCLAIMER OF REPRESENTATIONS AND WARRANTIES.**

EXCEPT AS EXPRESSLY PROVIDED UNDER THIS AGREEMENT, NEITHER PARTY MAKES ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES, FUNCTIONS AND PRODUCTS IT PROVIDES UNDER OR CONTEMPLATED BY THIS AGREEMENT AND THE PARTIES DISCLAIM THE IMPLIED WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.

### **24.0 CANCELLATION CHARGES.**

Except as provided in this Agreement or as otherwise provided in any applicable Tariff, no cancellation charges shall apply.

### **25.0 INDEMNIFICATION.**

**25.1** Each Party agrees to release, indemnify, defend and hold harmless the other Party from and against all losses, claims, demands, damages, expenses, suits or other actions, or any liability whatsoever, including, but not limited to, costs and attorneys' fees (collectively, a "Loss"), (a) whether suffered, made, instituted, or asserted by any other party or person, (i) relating to personal injury to or death of any person, or for loss, damage to, or destruction of real and/or personal property, whether or not owned by others, incurred during the term of this Agreement and to the extent proximately caused by the acts or omissions of the indemnifying Party, regardless of the form of action, or (ii) arising out of BA's listing of the directory listing information provided by

MFS pursuant to subsection 19.1, or (b) suffered, made, instituted, or asserted by its own customer(s) against the other Party arising out of the other Party's provision of services to the indemnifying Party under this Agreement. Notwithstanding the foregoing indemnification, nothing in this such Section 25. shall affect or limit any claims, remedies, or other actions the indemnifying Party may have against the indemnified Party under this Agreement, any other contract, or any applicable Tariff(s), regulations or laws for the indemnified Party's provision of said services.

**25.2** The indemnification provided herein shall be conditioned upon:

(a) The indemnified Party shall promptly notify the indemnifying Party of any action taken against the indemnified Party relating to the indemnification.

(b) The indemnifying Party shall have sole authority to defend any such action, including the selection of legal counsel, and the indemnified Party may engage separate legal counsel only at its sole cost and expense.

(c) In no event shall the indemnifying Party settle or consent to any judgment pertaining to any such action without the prior written consent of the indemnified Party, which consent shall not be unreasonably withheld.

(d) The indemnified Party shall, in all cases, assert any and all provisions in its Tariffs that limit liability to third parties as a bar to any recovery by the third party claimant in excess of such limitation of liability.

(e) The indemnified Party shall offer the indemnifying Party all reasonable cooperation and assistance in the defense of any such action.

**25.3** In addition to its indemnity obligations under subsection 25.1, each Party shall provide, in its tariffs and contracts with its Customers that relate to any Telecommunications Service or Network Element provided or contemplated under this Agreement, that in no case shall such Party or any of its agents, contractors or others retained by such parties be liable to any Customer or third party for (i) any Loss relating to or arising out of this Agreement, whether in contract or tort, that exceeds the amount such Party would have charged the applicable Customer for the service(s) or function(s) that gave rise to such Loss, and (ii) any Consequential Damages (as defined in subsection 26.2 below).

**26.0 LIMITATION OF LIABILITY.**

**26.1** Except as may be provided pursuant to Section 27 below, the liability of either Party to the other Party for damages arising out of failure to comply with a direction to install, restore or terminate facilities; or out of failures, mistakes, omissions, interruptions, delays, errors, or defects occurring in the course of furnishing any services, arrangements, or facilities hereunder shall be determined in accordance with the terms of the applicable tariff(s) of the providing Party. In the event no tariff(s) apply, the providing Party's liability shall not exceed an amount equal to the pro

rate monthly charge for the period in which such failures, mistakes, omissions, interruptions, delays, errors or defects occur. Recovery of said amount shall be the injured Party's sole and exclusive remedy against the providing Party for such failures, mistakes, omissions, interruptions, delays, errors or defects.

**26.2** Neither Party shall be liable to the other in connection with the provision or use of services offered under this Agreement for indirect, incidental, consequential, reliance or special damages, including (without limitation) damages for lost profits (collectively, "Consequential Damages"), regardless of the form of action, whether in contract, warranty, strict liability, or tort, including, without limitation, negligence of any kind, even if the other Party has been advised of the possibility of such damages; provided, that the foregoing shall not limit a Party's obligation under Section 25.

**26.3** The Parties agree that neither Party shall be liable to the customers of the other Party in connection with its provision of services to the other Party under this Agreement. Nothing in this Agreement shall be deemed to create a third party beneficiary relationship between the Party providing the service and the customers of the Party purchasing the service. In the event of a dispute involving both Parties with a customer of one Party, both Parties shall assert the applicability of any limitations on liability to customers that may be contained in either Party's applicable Tariff(s).

## **27.0 PERFORMANCE STANDARDS FOR SPECIFIED ACTIVITIES.**

**27.1 Certain Definitions.** When used in this Section 27, the following terms shall have the meanings indicated:

**27.1.1 "Specified Performance Breach"** means the failure by BA to meet the Performance Criteria for any one of the three Specified Activities for a period of three (3) consecutive calendar months.

**27.1.2 "Specified Activity"** means any of the following activities:

- (a) the installation by BA of Unbundled Local Loop Elements for MFS ("ULL Installation");
- (b) BA's provision of INP to MFS or
- (c) repair of out of service problems for MFS ("Out of Service Repairs").

**27.1.3 "Performance Criteria"** means, with respect to any calendar month during the term of this Agreement, the performance by BA during such month of each Specified Activity (except Out-of-Service Repairs) shown in Schedule 27.0, within the time interval shown, in at least eighty percent (80%) of the covered instances. BA shall perform the Out-of-Service Repairs within the specified time interval in at least seventy percent (70%) of the covered

instances. Within one week of each anniversary of the Effective Date, the Parties shall jointly review BA's actual network-wide monthly performance percentages for Out-of-Service Repairs for the preceding year and agree upon any improvements in the seventy percent (70%) standard based on the actual percentages for any three consecutive month period and/or the full preceding year, up to and including an eighty percent (80%) standard, as the Out-of-Service Repairs percentage standard applicable to the following year.

**27.2 Performance Standards.** BA shall exercise best efforts to meet the Performance Criteria for the three Specified Activities. In the event BA fails to meet the Performance Criteria at any time during the term of this Agreement, MFS shall be entitled to pursue all remedies set forth in the applicable BA Tariffs, except as may be agreed to by the Parties. In addition, if BA commits a Specified Performance Breach during the term of this Agreement, the Parties agree to meet immediately to determine whether any liquidated damages provisions are appropriate as an amendment hereof in light of such Breach and, if so, the terms therein; provided, however, that if BA commits a Specified Performance Breach during initial nine (9) months of this Agreement, the Parties agree to meet at the end of the nine-month period. If the Parties are unable to agree as to the appropriateness of the liquidated damages provisions and/or the terms therein within ninety (90) days after the date of the first meeting pursuant to this subsection, or if no such meeting has occurred within ninety (90) days of the end of the nine-month period for reasons other than the mutual agreement of the Parties, the Parties agree to submit to arbitration such disagreement and request that the arbitrators base their decision on comparable ILEC-CLEC interconnection agreements. Unless otherwise agreed to by the Parties, the arbitration shall be conducted by a panel of three (3) arbitrators, one to be appointed by each Party pursuant to CPR's Non-Administered Arbitration Rules and subject to the United States Arbitration Act (9 U.S.C. §§ 1-16), to be conducted in Arlington, Virginia. The Parties agree that the liquidated damages provisions, if any, finally determined by the arbitral process shall be adopted as an amendment to this Agreement.

**27.3 Limitations.** In no event shall BA be deemed to have failed to meet any of the Performance Criteria if:

27.3.1 BA's failure to meet or exceed any of the Performance Criteria is caused, directly or indirectly, by a Delaying Event. A "Delaying Event" means (a) a failure by MFS to perform any of its obligations set forth in this Agreement (including, without limitation, the Implementation Schedule and the Joint Grooming Plan), (b) any delay, act or failure to act by a Customer, agent, representative, or subcontractor of MFS or (c) any Force Majeure Event. If a Delaying Event prevents or delays BA from performing a Specified Activity, then such Specified Activity shall be excluded from the calculation of BA's compliance with the Performance Criteria, provided BA performs the Specified Activity in the course of its normal service cycle once the Delaying Event no longer exists; or

27.3.2 the Parties agree to a time interval with respect to a particular order that exceeds the interval set forth in Schedule 27. In such event, the time interval for BA's performance of the Specified Activit(ies) set forth in the order shall be extended to such later date agreed to by the Parties.



**27.4 Service Quality Standards.** MFS agrees to specific performance standards associated with quality of service requests as specified in Schedule 27.1. Should MFS fail to meet these service quality standards, during a period in which BA has failed to meet the Performance Criteria, BA's failure during such time period shall be excused and not apply toward the calculation of a Specified Performance Breach.

**27.5 Records.** Each Party shall maintain complete and accurate records in the manner and format agreed to by the Parties, on a monthly basis, of BA's performance under this Agreement of each Specified Activity and its compliance with the Performance Criteria during the initial nine-month period. Each Party shall provide to the other Party such records in a self-reporting format on a monthly basis. The Parties agree that such records shall be deemed "Proprietary Information" for purposes of subsection 29.4.

## **28.0 COMPLIANCE WITH LAWS; REGULATORY APPROVAL.**

**28.1** Each Party represents and warrants that it is now and will remain in compliance with all laws, regulations, and orders applicable to the performance of its obligations hereunder (collectively, "Applicable Laws"). Each Party shall promptly notify the other Party in writing of any governmental action that suspends, cancels, withdraws, limits, or otherwise materially affects its ability to perform its obligations hereunder.

**28.2** The Parties understand and agree that this Agreement will be filed with the Commission and may thereafter be filed with the FCC. The Parties covenant and agree that this Agreement is satisfactory to them as an agreement under Section 251 of the Act. Each Party covenants and agrees to fully support approval of this Agreement by the Commission or the FCC under Section 252 of the Act without modification. The Parties, however, reserve the right to seek regulatory relief and otherwise seek redress from each other regarding performance and implementation of this Agreement.

**28.3** The Parties recognize that the FCC is currently promulgating regulations implementing the Act, including, without limitation, Sections 251, 252, and 271 thereof (the "FCC Regulations"), that may affect the terms contained in this Agreement. In the event that any one or more of the provisions contained herein is inconsistent with any such FCC Regulations, the Parties agree to make only the minimum revisions necessary to eliminate the inconsistency. Such minimum changes to conform this Agreement to the FCC Regulations shall not be considered material, and shall not require further Commission approval (beyond any Commission approval required under Section 252(e) of the Act).

**28.4** In the event any Applicable Law other than the FCC Regulations requires modification of any material term(s) contained in this Agreement, either Party may require a renegotiation of the term(s) that require direct modification as well as of any term(s) that are reasonably affected thereby. If neither Party requests a renegotiation or if an Applicable Law requires modification of any non-material term(s), then the Parties agree to make only the minimum

modifications necessary, and the remaining provisions of this Agreement shall remain in full force and effect. For purposes of this subsection 28.4 and without limitation of any other modifications required by Applicable Laws, the Parties agree that any modification required by Applicable Laws (i) to the two-tier Reciprocal Call Termination compensation structure for the transport and termination of Local Traffic described in Exhibit A, or (ii) that affects either Party's receipt of reciprocal compensation for the transport and termination of Local Traffic, shall be deemed to be a modification of a material term that requires immediate good faith renegotiation between the Parties. Until such renegotiation results in a new agreement or an amendment to this Agreement between the Parties, the Parties agree that (y) in the case of (i) above, they will pay each other appropriate transport charges in addition to the usual call termination charge for Local Traffic that it delivers to the other Party's Local Serving Wire Center, provided each Party continues to offer the option of delivering Local Traffic to another IP in the LATA at the usual call termination charge only, and (z) in the case of (ii) above, the Party whose receipt of reciprocal compensation is affected shall not be obligated to pay the other Party reciprocal compensation for the other Party's transport and termination of the same kind of Local Traffic delivered by the affected Party in excess of what the affected Party is permitted to receive and retain.

## **29.0 MISCELLANEOUS.**

### **29.1 Authorization.**

29.1.1 BA is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and has full power and authority to execute and deliver this Agreement and to perform the obligations hereunder on behalf of BA.

29.1.2 MFS is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

**29.2 Independent Contractor.** Each Party shall perform services hereunder as an independent contractor and nothing herein shall be construed as creating any other relationship between the Parties. Each Party and each Party's contractor shall be solely responsible for the withholding or payment of all applicable federal, state and local income taxes, social security taxes and other payroll taxes with respect to their employees, as well as any taxes, contributions or other obligations imposed by applicable state unemployment or workers' compensation acts. Each Party has sole authority and responsibility to hire, fire and otherwise control its employees.

**29.3 Force Majeure.** Neither Party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such Party, regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation: adverse weather conditions, fire, explosion, power failure, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, ordinance or requirement of any government or legal body; or labor unrest, including, without limitation, strikes, slowdowns, picketing or boycotts; or delays caused by the

other Party or by other service or equipment vendors; or any other circumstances beyond the Party's reasonable control. In such event, the affected Party shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interferences (and the other Party shall likewise be excused from performance of its obligations on a day-for-day basis to the extent such Party's obligations relate to the performance so interfered with). The affected Party shall use its best efforts to avoid or remove the cause(s) of non-performance and both Parties shall proceed to perform with dispatch once the cause(s) are removed or cease.

#### **29.4 Confidentiality.**

29.4.1 All information, including but not limited to specification, microfilm, photocopies, magnetic disks, magnetic tapes, drawings, sketches, models, samples, tools, technical information, data, employee records, maps, financial reports, and market data, (i) furnished by one Party to the other Party dealing with customer specific, facility specific, or usage specific information, other than customer information communicated for the purpose of publication or directory database inclusion, or (ii) in written, graphic, electromagnetic, or other tangible form and marked at the time of delivery as "Confidential" or "Proprietary," or (iii) communicated orally and declared to the receiving Party at the time of delivery, or by written notice given to the receiving Party within ten (10) days after delivery, to be "Confidential" or "Proprietary" (collectively referred to as "Proprietary Information"), shall remain the property of the disclosing Party.

29.4.2 Each Party shall keep all of the other Party's Proprietary Information confidential and shall use the other Party's Proprietary Information only for performing the covenants contained in this Agreement. Neither Party shall use the other Party's Proprietary Information for any other purpose except upon such terms and conditions as may be agreed upon between the Parties in writing.

29.4.3 Unless otherwise agreed, the obligations of confidentiality and non-use set forth in this Agreement do not apply to such Proprietary Information that:

- (a) was, at the time of receipt, already known to the receiving Party free of any obligation to keep it confidential as evidenced by written records prepared prior to delivery by the disclosing Party; or
- (b) is or becomes publicly known through no wrongful act of the receiving Party; or
- (c) is rightfully received from a third person having no direct or indirect secrecy or confidentiality obligation to the disclosing Party with respect to such information; or
- (d) is independently developed by an employee, agent, or contractor of the receiving Party that is not involved in any manner with the provision of services pursuant to this Agreement and does not have any direct or indirect access to the Proprietary Information; or

(e) is approved for release by written authorization of the disclosing Party; or

(f) is required to be made public by the receiving Party pursuant to applicable law or regulation, provided that the receiving Party shall give sufficient notice of the requirement to the disclosing Party to enable the disclosing Party to seek protective orders.

29.4.4 Upon request by the disclosing Party, the receiving Party shall return all tangible copies of Proprietary Information, whether written, graphic or otherwise, except that the receiving Party may retain one copy for archival purposes only.

29.4.5 Notwithstanding any other provision of this Agreement, the provisions of this subsection 29.4 shall apply to all Proprietary Information furnished by either Party to the other in furtherance of the purpose of this Agreement, even if furnished before the Effective Date.

29.5 **Choice of Law.** The construction, interpretation and performance of this Agreement shall be governed by and construed in accordance with the laws of the state in which this Agreement is to be performed, except for its conflicts of laws provisions. In addition, insofar as and to the extent federal law may apply, federal law will control.

## 29.6 Taxes

29.6.1. In General. With respect to any purchase hereunder of services, facilities or arrangements, if any federal, state or local tax, fee, surcharge or other tax-like charge (a "Tax") is required or permitted by Applicable Law (as defined in subsection 28.1) to be collected from the purchasing Party by the providing Party, then (i) the providing Party shall properly bill the purchasing Party for such Tax, (ii) the purchasing Party shall timely remit such Tax to the providing Party and (iii) the providing Party shall timely remit such collected Tax to the applicable taxing authority.

29.6.2. Taxes Imposed on the Providing Party. With respect to any purchase hereunder of services, facilities or arrangements, if any federal, state or local Tax is imposed by Applicable Law on the receipts of the providing Party, which Law permits the providing Party to exclude certain receipts received from sales for resale to a public utility, distributor, telephone company, local exchange carrier, telecommunications company or other communications company ("Telecommunications Company"), such exclusion being based solely on the fact that the purchasing Party is also subject to a tax based upon receipts ("Receipts Tax"), then the purchasing Party (i) shall provide the providing Party with notice in writing in accordance with subsection 29.6.6 of this Agreement of its intent to pay the Receipts Tax and (ii) shall timely pay the Receipts Tax to the applicable tax authority.

29.6.3. Taxes Imposed on Customers. With respect to any purchase hereunder of services, facilities or arrangements that are resold to a third party, if any federal, state or local Tax is imposed by Applicable Law on the subscriber, end-user, Customer or ultimate consumer ("Subscriber") in connection with any such purchase, which a Telecommunications Company is

required to impose and/or collect from a Subscriber, then the purchasing Party (i) shall be required to impose and/or collect such Tax from the Subscriber and (ii) shall timely remit such Tax to the applicable taxing authority.

**29.6.4. Liability for Uncollected Tax, Interest and Penalty.** If the providing Party has not received an exemption certificate and fails to collect any Tax as required by subsection 29.6.1, then, as between the providing Party and the purchasing Party, (i) the purchasing Party shall remain liable for such uncollected Tax and (ii) the providing Party shall be liable for any interest assessed thereon and any penalty assessed with respect to such uncollected Tax by such authority. If the providing Party properly bills the purchasing Party for any Tax but the purchasing Party fails to remit such Tax to the providing Party as required by subsection 29.6.1, then, as between the providing Party and the purchasing Party, the purchasing Party shall be liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. If the providing Party does not collect any Tax as required by subsection 29.6.1 because the purchasing Party has provided such providing Party with an exemption certificate that is later found to be inadequate by a taxing authority, then, as between the providing Party and the purchasing Party, the purchasing Party shall be liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. If the purchasing Party fails to pay the Receipts Tax as required by subsection 29.6.2, then, as between the providing Party and the purchasing Party, (x) the providing Party shall be liable for any Tax imposed on its receipts and (y) the purchasing Party shall be liable for any interest assessed thereon and any penalty assessed upon the providing Party with respect to such Tax by such authority. If the purchasing Party fails to impose and/or collect any Tax from Subscribers as required by subsection 29.6.3, then, as between the providing Party and the purchasing Party, the purchasing Party shall remain liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. With respect to any Tax that the purchasing Party has agreed to pay, or is required to impose on and/or collect from Subscribers, the purchasing Party agrees to indemnify and hold the providing Party harmless on an after-tax basis for any costs incurred by the providing Party as a result of actions taken by the applicable taxing authority to recover the Tax from the providing Party due to the failure of the purchasing Party to timely pay, or collect and timely remit, such Tax to such authority. In the event either Party is audited by a taxing authority, the other Party agrees to cooperate fully with the Party being audited in order to respond to any audit inquiries in a proper and timely manner so that the audit and/or any resulting controversy may be resolved expeditiously.

**29.6.5. Tax Exemptions and Exemption Certificates.** If Applicable Law clearly exempts a purchase hereunder from a Tax, and if such Law also provides an exemption procedure, such as an exemption-certificate requirement, then, if the purchasing Party complies with such procedure, the providing Party shall not collect such Tax during the effective period of such exemption. Such exemption shall be effective upon receipt of the exemption certificate or affidavit in accordance with the terms set forth in subsection 29.6.6. If Applicable Law clearly exempts a purchase hereunder from a Tax, but does not also provide an exemption procedure, then the providing Party shall not collect such Tax if the purchasing Party (i) furnishes the

providing Party with a letter signed by an officer requesting such an exemption and citing the provision in the Law which clearly allows such exemption and (ii) supplies the providing Party with an indemnification agreement, reasonably acceptable to the providing Party (e.g., an agreement commonly used in the industry), which holds the providing Party harmless on an after-tax basis with respect to its forbearing to collect such Tax.

**29.6.6. Notices for Purposes of this Subsection 29.6.** All notices, affidavits, exemption-certificates or other communications required or permitted to be given by either Party to the other, for purposes of this subsection 29.6, shall be made in writing and shall be delivered in person or sent by certified mail, return receipt requested, or registered mail, or a courier service providing proof of service, and sent to the addressees set forth in subsection 29.10 as well as to the following:

To Bell Atlantic:	Tax Administration Bell Atlantic Network Services, Inc. 1717 Arch Street 30th Floor Philadelphia, PA 19103
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To MFS:	Corporate Tax Department MFS Communications Company, Inc. 11808 Miracle Hills Drive Omaha, Nebraska 68154
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Either Party may from time to time designate another address or other addressees by giving notice in accordance with the terms of this subsection 29.6. Any notice or other communication shall be deemed to be given when received.

**29.7 Assignment.** Neither Party shall assign this Agreement nor any of its rights or obligations hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Any assignment or delegation in violation of this subsection 29.7 shall be void and ineffective and constitute a default of this Agreement.

**29.8 Billing and Payment; Disputed Amounts.**

**29.8.1** Except may otherwise be provided in this Agreement, each Party shall submit on a monthly basis an itemized statement of charges incurred by the other Party during the preceding month(s) for services rendered hereunder. Payment of billed amounts under this Agreement, whether billed on a monthly basis or as otherwise provided herein, shall be due, in immediately available U.S. funds, within thirty (30) days of the date of such statement.

**29.8.2** Although it is the intent of both Parties to submit timely and accurate statements of charges, failure by either Party to present statements to the other Party in a timely manner shall not constitute a breach or default, or a waiver of the right to payment of the incurred charges, by the billing Party under this Agreement, and the billed Party shall not be entitled to

dispute the billing Party's statement(s) based on such Party's failure to submit them in a timely fashion.

29.8.3 If any portion of an amount due to a Party (the "Billing Party") under this Agreement is subject to a bona fide dispute between the Parties, the Party billed (the "Non-Paying Party") shall within sixty (60) days of its receipt of the invoice containing such disputed amount give notice to the Billing Party of the amounts it disputes ("Disputed Amounts") and include in such notice the specific details and reasons for disputing each item. The Non-Paying Party shall pay when due (i) all undisputed amounts to the Billing Party and (ii) all Disputed Amounts into an interest bearing escrow account with a third party escrow agent mutually agreed upon by the Parties.

29.8.4 If the Parties are unable to resolve the issues related to the Disputed Amounts in the normal course of business within ninety (90) days after delivery to the Billing Party of notice of the Disputed Amounts, each of the Parties shall appoint a designated representative that has authority to settle the dispute and that is at a higher level of management than the persons with direct responsibility for administration of this Agreement. The designated representatives shall meet as often as they reasonably deem necessary in order to discuss the dispute and negotiate in good faith in an effort to resolve such dispute. The specific format for such discussions will be left to the discretion of the designated representatives, however all reasonable requests for relevant information made by one Party to the other Party shall be honored.

29.8.5 If the Parties are unable to resolve issues related to the Disputed Amounts within forty-five (45) days after the Parties' appointment of designated representatives pursuant to subsection 29.8.4, then either Party may file a complaint with the Commission to resolve such issues or proceed with any other remedy pursuant to law or equity. The Commission may direct release of any or all funds (including any accrued interest) in the escrow account, plus applicable late fees, to be paid to either Party.

29.8.6 The Parties agree that all negotiations pursuant to this subsection 29.8 shall remain confidential and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence.

29.8.7 Any undisputed amounts not paid when due shall accrue interest from the date such amounts were due at the lesser of (i) one and one-half percent (1-1/2%) per month or (ii) the highest rate of interest that may be charged under applicable law.

**29.9 Dispute Resolution.** Any dispute between the Parties regarding the interpretation or enforcement of this Agreement or any of its terms shall be addressed by good faith negotiation between the Parties, in the first instance. Should such negotiations fail to resolve the dispute in a reasonable time, either Party may initiate an appropriate action in any regulatory or judicial forum of competent jurisdiction.

**29.10 Notices.** Notices given by one Party to the other Party under this Agreement shall be in writing and shall be (a) delivered personally, (b) delivered by express delivery service, (c) mailed, certified mail or first class U.S. mail postage prepaid, return receipt requested, or (d) delivered by telecopy to the following addresses of the Parties:

**To MFS:**

MFS Intelenet of Pennsylvania, Inc.  
33 Whitehall St.  
15th Floor  
New York, NY 10004  
Attn: Director, Regulatory Affairs - Eastern Region  
Facsimile: 212/843-3060

**To Bell Atlantic:**

Director - Interconnection Services  
Bell Atlantic Network Services, Inc.  
1320 N. Courthouse Road  
9th Floor  
Arlington, VA 22201  
Facsimile: 703/974-2183

**with a copy to:**

Vice President and General Counsel  
Bell Atlantic - Pennsylvania, Inc.  
1717 Arch Street  
32nd Floor  
Philadelphia, PA 19103  
Facsimile: 215/563-2658

or to such other address as either Party shall designate by proper notice. Notices will be deemed given as of the earlier of (i) the date of actual receipt, (ii) the next business day when notice is sent via express mail or personal delivery, (iii) three (3) days after mailing in the case of first class or certified U.S. mail, or (iv) on the date set forth on the confirmation in the case of telecopy.

**29.11 Section 252(i) Obligations.**

29.11.1 If, at any time during the term of this Agreement, either Party enters into an agreement to provide an integrated package of services or arrangements substantially similar to that described herein to another CLEC (in the case of BA), or another incumbent LEC (in the case of MFS), operating within the same state to which this Agreement applies, on terms significantly